

## REMARKS

Claims 1, 3, and 37 are rejected under 35 USC 112, second paragraph, as being indefinite. The claims are amended taking into consideration the Examiner comments. For example, paragraph 523 supports the claims. Withdrawal of the rejection is requested.

Claims 1-7, 15, 16, 27, 35-36, and 37 are rejected under 35 USC 103(a) as being unpatentable over Mizrah (US Patent no. 7,379,916) in view of Hird (US Patent No. 2002/0141575).

Claims 8, 10, 11, 17-26, 33 and 34 are rejected under 35 USC 103(a) as being unpatentable over Mizrah, Hird and Drummond (US Patent No. 7,025,256).

Claim 9 is rejected under 35 USC 103(a) as being unpatentable over Mizrah, Hird and Drummond and Beigel (US Patent No. 2003-0174049).

In accordance with the foregoing, the claims have been amended, and thus, pending claims remain for reconsideration which is respectfully requested. No new matter has been added in this Amendment.

The independent claims are 1 and 37.

As discussed in the previous Office Action with respect to Mizrah, the Office Action acknowledges that Mizra does not discuss non-transmitted parameters. So the Office Action relies upon Hird. Claim 1 is amended to require "a mobile device of the consumer ... storing a consumer mobile device parameter and a computer controller

*prompting input of a first input non-stored non-transmitted single parameter not to be stored in a permanent storage of the consumer mobile device as a first input non-transmitted parameter,* and a storage-storing

*generating a second non-transmitted parameter based upon the stored consumer mobile device parameter as a second generated non-transmitted parameter.*

In addition, claim 1 is amended to require "wherein the consumer mobile device and the STS device controllers verify ... over the open and non-secure wireless communication channel based upon a changing key derived from both the first input non-stored non-transmitted parameter of the consumer mobile device and the second stored non-transmitted generated non-transmitted parameter of the consumer mobile device, device and identifying both the mobile device and the consumer to the STS device."

Hird FIG. 4 discusses a seed derivation module 120 that uses a masked seed and an

input pin for generating a key. However, the language of amended claim 1 requires "generating a second non-transmitted parameter based upon the stored consumer mobile device parameter as a second generated non-transmitted parameter," providing a benefit of "verify ... over the open and non-secure wireless communication channel based upon a changing key derived from both the first input non-stored-non-transmitted parameter of the consumer mobile device and the second stored non-transmitted generated non-transmitted parameter of the consumer mobile device, device and identifying both the mobile device and the consumer to the STS device." In other words, it is readily apparent that Hird generates the same key each time, and does not disclose expressly or implicitly to one skilled in the art to be combined with Mizrah, which is silent on non-transmitted and not permanently stored parameters, and then further modify Mizrah or Hird to provide the claimed "the second stored non-transmitted generated non-transmitted parameter of the consumer mobile device, device" providing a benefit of generating different keys on a transaction basis and "identifying both the mobile device and the consumer to the STS device." In addition, Hird is silent on "single parameter not to be stored in a permanent storage of the consumer mobile device." For example, paragraphs 57, 487, 523, 534-535 and 542, and FIG. 58 literally or expressly describe the claimed 'key derivation.'

Withdrawal of the rejection of claim 1 and allowance of claim 1 is requested.

Independent claim 37 requires limitations similar to the discussed limitations of independent claim 1.

Dependent claims require patentably distinguishing features of their own, or are at least patentably distinguishing due to their dependencies from the independent claims.

### **CONCLUSION**

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,  
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